

Goldsmith could recoup \$5 mil loss

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GILROY - Gilroy's largest flower producer, Goldsmith Plants, could receive \$5 million from the federal government. The money will help pay greenhouses that lost inventory when the Hecker Pass company inadvertently brought a deadly strain of bacteria into the United States.

Congressman Mike Honda announced the deal Tuesday at a Gilroy Rotary Club luncheon, where he was the guest speaker.

The U.S. House of Representatives appropriations committee already has OKed the spending, making it increasingly likely to get approved by the full Congress before the start of next fiscal year, Honda said.

The \$5 million will keep the family-owned business afloat as it recovers from refunding nearly half a million dollars to flower growers who bought contaminated geranium clippings from Goldsmith Plants. Goldsmith also compensated retail store suppliers who had to destroy plants and flowers that were in the same truckload as Goldsmith products.

"Of course this is very good news. Five million dollars is more than sufficient to help us out," Goldsmith Plants President Richard Goldsmith said. "But we can't get too excited because this is a work in progress."

Now that the House appropriations committee approved the funding, a similar committee in the U.S. Senate must do the same. If successful there, the bill would go to the full Congress for approval and the \$5 million would be payable in fiscal year 2004.

"The money is going to help a lot of impacted companies remain stable and healthy financially," Honda said Tuesday. "This is compensation that will help Goldsmith offset their expenses."

In late 2002, Goldsmith Plants imported a small batch of infected geraniums from its Kenya-based greenhouse. The plants were contaminated with the *Ralstonia* bacteria which, in addition to killing geraniums, can destroy crops such as potato, tobacco, pepper, eggplant and tomato.

Because the bacteria is foreign to the United States, the United States Department of Agriculture took extreme measures to keep *Ralstonia* out of the environment, forcing greenhouses to destroy all plants shipped with a potentially infected geranium plant.

This policy - which usurps industry standard for dealing with contaminated plants - triggered compensation requests from roughly 100 of the 120 greenhouses Goldsmith Plants supplies.

"We don't disagree with the USDA's actions, we just need help with the compensation," Goldsmith said.

In June, a bipartisan group of U.S. lawmakers supported Honda's effort to help Gilroy's largest flower producer pay for damages once thought to be as much as \$7 million. Under normal industry standards, destroying the contaminated product would have cost roughly \$100,000.

Eight Democrats and 15 Republicans signed off on a letter from Honda to the House appropriations subcommittee on agriculture. In the letter, Honda asked for money to be put aside for Goldsmith Plants in fiscal year 2004.

Goldsmith Plants, which began growing geraniums more than 40 years ago as one of the company's original crops, set up a compensation fund worth between \$400,000 and \$500,000 to pay growers and suppliers. Goldsmith's insurance also may partially cover losses by its clients. Richard Goldsmith stressed that the compensation efforts were "voluntary" and were being done "without admission of liability."

At the Tuesday Rotary luncheon, Honda touched on several other matters of local and national concern, from how President Bush's tax cuts have impacted the budget to the \$2.4 billion the Congressman wants to see allocated to high-tech research, which would benefit Silicon Valley.

Honda who is serving his first term as a U.S. Congressman sits on two House committees - science-technology and transportation-infrastructure. He said his "ultimate goal" is to get on the appropriations committee.

"You can write all the laws you want, but appropriations give them the funding. That's where the leverage really is," Honda said.

Honda will host a town hall meeting Aug. 21 in Gilroy at the Senior Center from 5:30 to 6:30 p.m.

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